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TO : Deputy Director Central Intelligence

SUBJECT: Approval of Expenditures of Senior Representatives

1. PROBLEM:

To obtain appropriate approval for treating expenditures of Senior Representatives in same manner as other station expenditures instead of requiring specific approval and review of expenditure documents at Headquarters.

2. FACTS BEARING ON THE PROBLEM:

- a. At the time Senior Representatives were initially assigned to overseas stations, their expenditures were controlled by separate allotments from the Director's Office and they were required to submit accountings with supporting expenditure documents to the Director's Office for approval. The Deputy Director (Administration) was designated as approving officer for such accountings.
- b. Effective as of 1 July 1953, separate allotments to Senior Representatives were discontinued and provisions for their expenditures were included in the Deputy Director (Plans) administrative allotments to the various stations. This was in keeping with the fact that Senior Representatives were and are drawing their administrative support from the station proper rather than duplicating such facilities by establishing a separate administrative entity with separate funds, accounts, etc. The result is that Senior Representative expenditures are paid, accounted for, and reported upon by Station Finance Officers and audited by the representatives of the Auditor-in-Chief in the same manner as other types of station administrative expenses.

3. DISCUSSION:

If Headquarters approval of Senior Representatives expenses is still required, it will be necessary to issue separate allotments, require separate allotment accounting controls at stations, segregate at the station the pertinent payment and obligation documents, and forward to Headquarters a special schedule or report each month supported by each detailed payment and obligation document. This would result in additional costs and would appear to serve no justifiable purpose since the expenditures referred to are incurred in the field, are examined prior to payment by the respective Finance office in accordance with the pertinent authorizations and authorities, and receive a post audit by the Auditor-in-Chief.

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#### 4. CONCLUSIONS:

It is concluded that expenditures of Senior Representatives should not be submitted to Headquarters for approval since they receive appropriate audit by Finance offices and the Office of Audit and that any review or comparative analyses that may be considered necessary or desirable should be achieved by reporting methods.

#### 5. ACTION RECOMMENDED:

It is recommended that the portion of the "Authorizations to Senior Representatives" which provides that the Deputy Director or his designee are approving officers for expenses of Senior Representatives be hereby cancelled; that subsequently prepared authorizations not include such a provision; and that the Comptroller take the required steps to advise appropriate Agency officials of these approved changes.

*/s/*  
E. R. SAUNDERS  
Comptroller

#### CONCURRENCES:

*/s/ L. N. White*  
Acting Deputy Director (Admin.)

*12 Feb 54*  
Date

*/s/*  
Auditor-in-Chief

*10 February 1954*  
Date

*/s/*  
Chief of Administration, ID/P

*19 February 1954*  
Date

#### ACTION BY APPROVING AUTHORITY:

#### APPROVED:

*[Signature]*  
Date

Deputy Director  
Central Intelligence

RHF:cmw (3 Feb. 1954)

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*Orig returned to Comptroller 2/25.*

*Km*